

ARTICLE APPEARED  
ON PAGE A-1

NEW YORK TIMES  
24 OCTOBER 1981

## BUSINESSMAN TIED TO TERRORIST PLOT

Indicted With Ex-C.I.A. Agents  
in Training Project in Libya

By STUART TAYLOR Jr.

Special to The New York Times

WASHINGTON, Oct. 23 — A Federal indictment was made public today accusing a 38-year-old Virginian of shipping explosives to Libya and training terrorists there as part of a conspiracy headed by two former Central Intelligence agents.

The 10-count indictment also broadened the charges against the two former agents, Edwin P. Wilson and Frank E. Terpil, to include a shipment of explosives to Libya in April 1977. The last shipment listed in the original, April 1980, indictment of Mr. Wilson and Mr. Terpil on the explosives charges took place in August 1978.

The charges against the new defendant, Douglas M. Schlachter Sr., grew out of the testimony of "newly cooperating witnesses," according to Carol E. Bruce, one of the assistant United States attorneys working with the grand jury investigating the Libyan venture.

"The investigation has developed new targets" as a result of this cooperation, she said. "We consider it a breakthrough."

Meanwhile, the State Department said that it had received "unconfirmed reports" that Americans might have taken part in airlifts to supply Libyan troops in Chad. [Page 10.]

The New York Times reported this week that pilots and mechanics recruited by Mr. Wilson were flying and maintaining aircraft in the Libyan Air Force.

In other news articles, Mr. Wilson has been reported to have tried to sell restricted computer technology to the Soviet Union and to have been linked to the suspect in the attempted murder of a Libyan student in Colorado. None of those matters were mentioned in the latest indictment.

Mr. Schlachter was charged with supervising the Libyan end of the deal Mr. Wilson and Mr. Terpil supposedly struck to supply the Libyan Government with explosives made in the United States and to train terrorists to use them at a camp near Tripoli in 1978 and 1977.

Mr. Schlachter, now thought to be in the African nation of Burundi, has no known connections with any intelligence agency, according to prosecutors. They said that he had been working at a family-owned gasoline station near Upper-ville, Va., before Mr. Wilson hired him to manage his country estate there in early 1978.

The indictment states that "for part of the time of the conspiracy," Mr. Schlachter was president of a Washington-based consulting and marketing firm known as Delex International, which was owned by Mr. Wilson.

Mr. Schlachter traveled from Virginia to Libya "to supervise the terrorist training project" in August 1978, according to the indictment. Prosecutors said he had been in Libya, London, Burundi and other foreign countries most of the time since then.

### Indictment Kept Secret

The 17-page indictment unsealed today by Federal District Judge John H. Pratt was headed down by a grand jury

Aug. 6 but kept secret while the State Department sought to persuade the Government of Burundi, which has no extradition treaty with the United States, to return Mr. Schlachter to face charges.

Those efforts have not yet succeeded. Mrs. Bruce said the unsealing of the indictment would allow the United States to communicate with Mr. Schlachter directly.

"We're optimistic" of getting him back, she said.

The indictment superseded the April 1980 indictment of Mr. Wilson, Mr. Terpil, who has recently been seen in Lebanon and Syria, and Jerome S. Brower, formerly head of a Pomona, Calif., explosives manufacturing and distributing company, who pleaded guilty last January and is cooperating with prosecutors.

Mr. Schlachter is believed to be running an air freight forwarding company in Burundi, Mrs. Bruce said. She would not comment on whether he was still believed to be working for Mr. Wilson, who is in Tripoli.

Mr. Schlachter has a wife and two teenage children still in the United States, but he "is not traveling alone," Mrs. Bruce said, refusing to elaborate.

### Charges Include Conspiracy

The charges against the three men named in the indictment include conspiracy to violate and violation of law barring export of explosives to be used to kill persons and damage property and barring use of commercial air carriers to transport hazardous material and of the Arms Export Control Act of 1976, which bars export of certain munitions without State Department approval.

victed on all counts. The count that carries a life term charges that the conspiracy resulted in an accidental explosion in Tobruk, Libya, in July 1977, that killed several Libyans and injured three of Mr. Wilson's employees.

The indictment states that "the object of the conspiracy was to supply covertly and for a profit the Government of Libya with personnel, explosives, explosive material and other goods necessary to make explosive devices and teach others how to make explosive devices in a terrorist training project."

Mr. Schlachter "worked hand in hand with the Libyans," Mrs. Bruce said, adding, "The extent of his involvement was not fully known to us or the grand jury when we first indicted Wilson and Terpil."

Mrs. Bruce said there were "quite a few cooperating witnesses" in the continuing investigation of Mr. Wilson's activities, including some who were "personally involved" and others who were unwitting accomplices. She would not name any of them except Mr. Brower.

The indictment named two other Americans and referred to numerous unnamed persons whom Mr. Wilson and Mr. Terpil allegedly hired or attempted to hire to assist in their scheme.

It also said that Mr. Schlachter purchased "household articles such as toasters, lamps and Thermos bottles to be transformed into explosive devices" and that automobiles, refrigerators, televisions, radios, attache cases and an alarm clock were also made into bombs.